



UNITED STATES  
SECURITIES AND EXCHANGE COMMISSION  
Washington, D. C. 20549

ANNUAL AUDITED REPORT  
FORM X-17A-5  
PART III

SEC  
Mail Processing  
Section

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FACING PAGE  
Information Required of Brokers and Dealers Pursuant to Section 17 of the  
Securities Exchange Act of 1934 and Rule 17a-5 Thereunder

REPORT FOR THE PERIOD BEGINNING 01-Jan-14 AND ENDING 31-Dec-14

A. REGISTRANT IDENTIFICATION

NAME OF BROKER-DEALER: Feldstein Financial Group, LLC

ADDRESS OF PRINCIPAL PLACE OF BUSINESS: (Do not use P.O. Box No.)

OFFICIAL USE ONLY
FIRM I.D. NO.

45 Seminary Avenue

(No. and Street)

Chester  
(City)

NJ  
(State)

07930  
(Zip Code)

NAME AND TELEPHONE NUMBER OF PERSON TO CONTACT IN REGARD TO THIS REPORT

Steven Feldstein

908-879-9559

(Area code- Telephone number)

B. ACCOUNTANT IDENTIFICATION

INDEPENDENT PUBLIC ACCOUNTANT whose opinion is contained in this Report\*

Donahue Associates, LLC

(Name- if individual, state last, first, middle name)

27 Beach Road- Suite C05A  
(Address)

Monmouth Beach  
(City)

NJ  
(State)

07750  
(Zip code)

CHECK ONE:

- ☒ Certified Public Accountant  
☐ Public Accountant  
☐ Accountant not resident in United States or any of its possessions.

FOR OFFICIAL USE ONLY

\* Claims for exemption from the requirement that the annual report be covered by the opinion of an independent public accountant must be supported by a statement of facts and circumstances relied on as the basis for the exemption. See Section 240.17a-5(e)(2)

SEC 1410 (06-02)

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### OATH OR AFFIRMATION

I, Steven Feldstein, swear (or affirm) that, to the best of my knowledge and belief the accompanying financial statement and supporting schedules pertaining to the firm of Feldstein Financial Group, LLC, as of December 31, 2014, are true and correct, I further swear (or affirm) that neither company nor any partner, proprietor, principal officer or director has any proprietary interest in any account classified solely as that of a customer, except as follows:

John C. [Signature]  
Notary Public

NOTARY PUBLIC, State of New York  
No. 01-05020932  
Qualified in New York County  
Certificate Filed in New York County  
Commission Expires May 22, 2018

Signature \_\_\_\_\_  
Title CEO \_\_\_\_\_

**This report \*\* contains (check applicable boxes):**

- |                                     |   |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | (a) Facing Page   |
| <input checked="" type="checkbox"/> | (b) Statement of Financial Condition  |
| <input checked="" type="checkbox"/> | (c) Statement of Income (Loss)  |
| <input checked="" type="checkbox"/> | (d) Statement of Changes in Financial Condition   |
| <input checked="" type="checkbox"/> | (e) Statement of Changes in Stockholders' Equity or Partners' or Sole Proprietors' Capital  |
| <input type="checkbox"/>            | (f) Statement of Changes in Liabilities Subordinated to the Claims of Creditors   |
| <input checked="" type="checkbox"/> | (g) Computation of Net Capital (including reconciliation of X-17A-5 Part II filing with this Rule 17a-5(d) report, if applicable)   |
| <input type="checkbox"/>            | (h) Computation for Determination of Reserve Requirements Pursuant to Rule 15c3-3   |
| <input type="checkbox"/>            | (i) Information relating to the Possession of Control Requirements Under Rule 15c3-3  |
| <input type="checkbox"/>            | (j) A Reconciliation, including appropriate explanation of the Computation of Net Capital Under Rule 15c3-3 and the Computation for determination of the Reserve Requirements Under Exhibit A of rule 15c3-3. |
| <input type="checkbox"/>            | (k) A Reconciliation between the audited and the unaudited Statements of Financial Condition with respect to the methods of consolidation.  |
| <input checked="" type="checkbox"/> | (l) An Oath or Affirmation  |
| <input type="checkbox"/>            | (m) A copy of the SIPC Supplemental Report.   |
| <input type="checkbox"/>            | (n) A report describing any material inadequacies found to exist or found to have existed since the date of the previous audit.   |
| <input checked="" type="checkbox"/> | (o) Exemption report and audit review   |

**\*\*For conditions of confidential treatment of certain portions of this filing, see Section 240.17a-5(e)(3).**

**DONAHUE ASSOCIATES, L.L.C.**  
**27 BEACH ROAD, SUITE CO5-A**  
**MONMOUTH BEACH, NJ. 07750**  
**Phone: (732) 229-7723**

**Independent Auditor's Report**

The Member,  
Feldstein Financial Group, LLC

We have audited the accompanying financial statements of Feldstein Financial Group, LLC, which comprise the balance sheet at December 31, 2014 and the related statements of operations, changes in member equity, net capital computation, and cash flows for the year then ended, and the related notes to the financial statements.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to error or fraud.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements presented are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Feldstein Financial Group, LLC as of December 31, 2014 and the results of their operations, net capital computation, and their cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in black ink, appearing to read "Donahue Associates LLC", followed by a stylized flourish.

Donahue Associates LLC  
Monmouth Beach, New Jersey  
February 20, 2015

**Feldstein Financial Group, LLC**  
**Balance Sheet**  
**As of December 31, 2014**

**ASSETS**

Current assets:

Cash	\$8,994
Receivables from clearing broker	107,171
Prepaid expenses	3,608
Total Current Assets	<u>\$119,773</u>

Total Assets	<u>\$119,773</u>
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**LIABILITIES & MEMBER'S EQUITY**

Current liabilities:

Accounts payable & accrued expenses	\$2,850
Total Current Liabilities	<u>\$2,850</u>

Member's Equity:	<u>116,923</u>
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Total Liabilities & Member's Equity	<u>\$119,773</u>
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**Please see the notes to the financial statements.**

**Feldstein Financial Group, LLC**  
**Statement of Operations**  
**For the Year Ended December 31, 2014**

Commission & service revenues	\$580,195
Clearance charges	<u>(79,023)</u>
Net margin	\$501,172
General and administrative expenses:	
General administration	<u>\$34,809</u>
Total general and administrative expenses	<u>34,809</u>
Income from operations	\$466,363
Other income:	
Other income	10,226
Interest income	<u>2,291</u>
Net income before income tax provision	\$478,880
Provision for income taxes	<u>0</u>
Net income	<u><u>\$478,880</u></u>

**Please see the notes to the financial statements.**

**Feldstein Financial Group, LLC**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2014**

Operating activities:	
Net income	\$478,880
Changes in other operating assets and liabilities:	
Receivables from clearing broker	(63,146)
Prepaid expenses	(12)
Accounts payable & accrued expenses	(327)
Net cash provided by operations	<u>\$415,395</u>
Financing activities	
Distributions paid member	<u>(\$420,800)</u>
Net cash used by financing activities	<u>(420,800)</u>
Net Decrease in cash during the fiscal year	(\$5,405)
Cash at December 31, 2013	<u>14,399</u>
Cash at December 31, 2014	<u><u>\$8,994</u></u>
Supplemental disclosures of cash flow information:	
Interest paid during the fiscal year	\$0
Income taxes paid during the fiscal year	\$0

**Please see the notes to the financial statements.**

**Feldstein Financial Group, LLC**  
**Statement of Changes in Member's Equity**  
**For the Year Ended December 31, 2014**

	<b>Member's Equity</b>
Balance at December 31, 2013	\$58,843
Distribution paid member	(420,800)
Net income for the fiscal year	<u>478,880</u>
Balance at December 31, 2014	<u><u>\$116,923</u></u>

**Please see the notes to the financial statements.**



**Feldstein Financial Group, LLC**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2014**

**1. Organization**

Feldstein Financial Group, LLC (the Company) is a privately held limited liability company formed in New Jersey in 2002 for the purpose of conducting business as a securities broker dealer (BD). As a BD, the Company is registered with the Financial Industry Regulatory Authority (FINRA) to market investments in registered securities. Through its clearing broker, the Company clears securities transactions on a fully disclosed basis for its clients. The Company operates under the exempt provisions of the Security and Exchange Commission Rule 15c3-3(k)(2)(b).

**2. Summary of Significant Accounting Policies**

*Use of Estimates-* The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make reasonable estimates and assumptions that affect the reported amounts of the assets and liabilities and disclosure of contingent assets and liabilities and the reported amounts of revenues and expenses at the date of the financial statements and for the period they include. Actual results may differ from these estimates.

*Commission income-* Commission revenues and related fees are recorded on a trade date basis and the Company is reasonably assured of their collection.

*Cash-* For the purpose of calculating changes in cash flows, cash includes all cash balances and highly liquid short-term investments with original maturity date of three months or less.

*Income taxes-* The Company has elected to be taxed as a single member limited liability company under the Internal Revenue Service Code. Accordingly, under such an election, the Company's taxable income is reported by the individual member and therefore, no provision for federal income taxes has been included in these financial statements.

### **3. Fair Value of Financial Instruments**

*Fair Value Measurements* under generally accepted accounting principles clarifies the principle that fair value should be based on the assumptions market participants would use when pricing an asset or liability and establishes a fair value hierarchy that prioritizes the information used to develop those assumptions. Under the standard, fair value measurements are separately disclosed by level within the fair value hierarchy as follows.

Level 1 - Quoted prices in active markets for identical assets or liabilities.

Level 2 - Observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets with insufficient volume or infrequent transactions (less active markets); or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 - Unobservable inputs to the valuation methodology that are significant to the measurement of fair value of assets or liabilities.

To the extent that valuation is based on models or inputs that are less observable or unobservable in the market, the determination of fair value requires more judgment. In certain cases, the inputs used to measure fair value may fall into different levels of the fair value hierarchy. In such cases, for disclosure purposes, the level in the fair value hierarchy within which the fair value measurement is disclosed and is determined based on the lowest level input that is significant to the fair value measurement.

Cash, prepaid expenses, receivables from clearing broker, and accounts payable and accrued expenses in the balance sheet are estimated to approximate fair market value at December 31, 2014 because of their short term nature.

### **4. Related Party Transactions**

The Company has executed an expense sharing agreement with a company related to the Company by common ownership, whereby the related company pays for certain allocated overhead costs.

## 5. Net Capital Requirement

As a BD, the Company is subject to Rule 15c3-1 of the Security Exchange Act of 1934 which requires the Company to maintain a minimum net capital, as defined under the provisions, of \$45,000. The computation of net capital pursuant to Uniform Net Capital Rule 15c3-1 is as follows.

### CREDIT:

Member's equity	\$116,923
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### DEBITS:

Nonallowable assets:	
Prepaid expenses	<u>(3,608)</u>

<b>NET CAPITAL</b>	<b>\$113,315</b>
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Haircuts	<u>(5)</u>
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<b>ADJUSTED NET CAPITAL</b>	<b>\$113,310</b>
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Minimum requirements of 6-2/3% of aggregate indebtedness or \$5,000, whichever is greater.	<u>5,000</u>
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<b>EXCESS NET CAPITAL</b>	<b><u>\$108,310</u></b>
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### AGGREGATE INDEBTEDNESS:

Accounts payable & accrued expenses	\$2,850
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<b>RATIO OF AGGREGATE INDEBTEDNESS TO NET CAPITAL</b>	<b>2.52%</b>
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Excess net capital previously reported	\$100,056
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Related party expense accrual per FOCUS (not booked)	<u>8,254</u>
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Excess net capital per this report	<b><u>\$108,310</u></b>
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## **6. Off-Balance Sheet Risk**

The Company executes various transactions for the benefit of customers through the clearing broker dealer on a fully disclosed basis. This business activity subjects the Company to certain off balance sheet risk, which may be in excess of the liabilities reported in the balance sheet. In the event that a customer is in default of an obligation to the clearing broker, the clearing broker will require the Company to fulfill the obligation on behalf of its customer.

The Company seeks to control these risks by monitoring the transactions of customer accounts on a daily basis. The Company has the authority to liquidate position in customer accounts at its discretion in order to ensure the account is in financial compliance with established requirements imposed by the clearing broker.

## **7. Subsequent Events**

The Company has made a review of material subsequent events from December 31, 2014 through the date of this report and found no material subsequent events reportable during this period.

**Feldstein Financial Group, LLC**  
**45 Seminary Avenue**  
**Chester, NJ 07930**

**December 31, 2014**

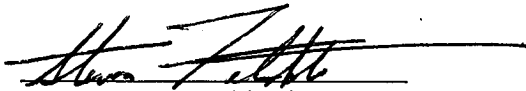
**Rule 15c3-3 Exemption Report**

This is to certify that, to the best of my knowledge and belief:

Feldstein Financial Group, LLC is exempt from Rule 15c3-3 reporting pursuant to provision 15c-3(k)(2)(i) of SEC Rule 15c3-3 (the "exemption provisions").

Feldstein Financial Group, LLC met the identified provision throughout the most recent fiscal year without exceptions as the company is a non-carrying broker-dealer which promptly transmits all funds and delivers all securities received in connection with our activities as a broker dealer, and does not otherwise hold funds or securities for, or owe money or securities to, customers.

Thank you.

  
Steven Feldstein  
Managing Member

**DONAHUE ASSOCIATES, L.L.C.**  
**27 BEACH ROAD, SUITE CO5-A**  
**MONMOUTH BEACH, NJ. 07750**  
**Phone: (732) 229-7723**

**Report of Independent Registered Public Accounting Firm**

We have reviewed management's statements included in the accompanying exemption report in which Feldstein Financial Group, LLC. identified the provisions of SEC Rule 15c3-3 paragraph k(1)(iii) under which the Company claimed an exemption from SEC Rule 15c3-3 and the Company stated that it has met the identified exemption provisions through the fiscal year ending December 31, 2014, without exception. The Company's management is responsible for compliance with the exemption provisions and its statements.

Our review was conducted in accordance with the standards of the Public Company Accounting Oversight Board (United States) and, accordingly included inquiries and other required procedures to obtain evidence about the Company's compliance with the exemption provisions. A review is substantially less in scope than an examination, the objective of which is an expression of an opinion on management's statements. Accordingly, we do not express such an opinion.

Based on our review, we are not aware of any material modifications that should be made to management's statements referred to above for them to be fairly stated, in all material respects, based on the provisions set forth in paragraph k(1)(iii) of SEC Rule 15c3-3.



Donahue Associates LLC  
Monmouth Beach, N.J.  
February 20, 2015